

Grants and legal eligibility – A guide

Certain grants require applicants to have certain legal status. Here's an explainer on some of the main statuses and legal structures of not-for-profits:



Registered Charity

Many funders in New Zealand specify that they give only to nonprofits registered with Charities Services. Registered Charities are beholden to charity legislation.

Incorporated Society/Group

An incorporated society is a legal organisational structure requiring registration under and operating to the rules of the Charitable Trusts Act 1957. It generally requires a committee, annual meetings, and certain documentation and publications like an annual statement.

IRD Tax Exemption

Income tax exemptions are only available to organisations registered with Charities Services.

Donee Organisation

Charities registered with Charities Services who indicate donations as a source of income on their application forms are automatically considered for Donee Organisation status. This means that a tax credit can be claimed against donations made to the organisation. Non-registered charities can apply to Inland Revenue for benevolent, cultural or philanthropic donee status.

Social Enterprise

There is no legal structure or registration process to operate as a social enterprise in New Zealand. They can be operated by for-profit or not-for-profit entities.

Social Enterprises are regarded as businesses or activities carrying out profit-making activities helping achieve or fund a mission, or creating a public benefit. There are a limited but growing pool of funders in New Zealand who provide seed funding and grants specifically for social enterprises.

501(c)3 or equivalent

Most US based funders require their applicants to have the American nonprofit status 501(c)3, or their country's equivalent. In New Zealand, this is Charities Services registration and Donee Organisation status. Charities can also register with the Charities Aid Foundation (CAF), which acts as an auspicing body providing 501(c)3 to vetted organisations, who can then accept tax deductible donations from American donors.

Be sure always to confirm the eligibility requirements and guidelines BEFORE applying.